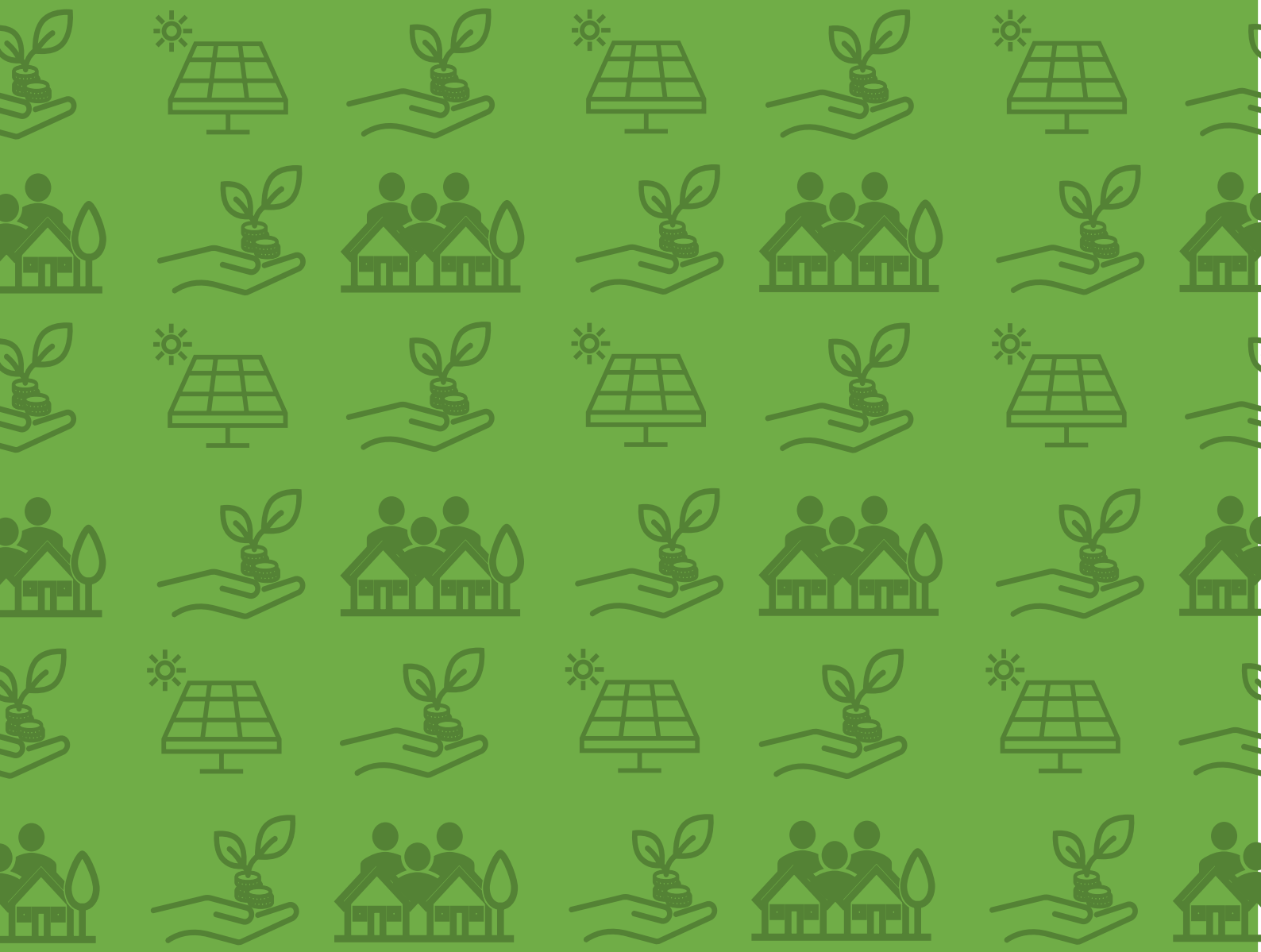
EPOA
Essex Planning Officers Association

Essex Renewable Energy Offsetting Framework

Supporting requirement 4 (offsetting methodology) – as part of Policy GE1: Operational Energy & Carbon (Net Zero) in homes & buildings

Version 1.2 - December 2025

Delivering healthy, efficient, climate resilient homes and buildings in Greater Essex.



This **Renewable Energy Offsetting Framework** is published by the Essex Planning Officers Association on the Essex Design Guide and supports Requirement 4: *On-site renewable energy generation* of **Policy GE1: Operational Energy and Carbon (Net Zero) in Homes and Buildings** which is recommended for Local Authorities in Greater Essex to embed in their Local Plans and other policy, strategy and guidance documents.

The Framework can be adapted by Greater Essex Local Authorities to support their equivalent policy in individual Local Plans or other planning documents. It provides a consistent methodology for using the **energy offsetting mechanism** that forms part of Requirement 4 (of Policy GE1) and which may justifiably be triggered in situations where it is not technically feasible to achieve the required amount of renewable energy generation on-site.

The Framework also sets out how an Essex-wide fund that receives the energy offsetting payments will be administered and spent.

The preparation of the Framework has been led by the **Climate and Planning Unit** and **Energy & Low Carbon Team** at **Essex County Council**, and has been developed in collaboration with officers from the Local Authorities in Greater Essex, under the steer of the Essex Planning Officers Association.

For queries please contact:

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Website: www.essexdesignguide.co.uk/climate-change/essex-climate-and-planning/

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1. Context

Essex Authorities, led by the Climate and Planning Unit at Essex County Council, have established a Planning Policy for Operational Energy and Carbon (Net Zero) in homes and buildings in Greater Essex. The Policy (GE1) is published in a Planning Policy Statement on the Essex Design Guide (available here) and it provides a consistent approach to delivering healthy, affordable to run, climate resilient, energy efficient homes and buildings in Essex.

The model policy – GE1 Operational Energy and Carbon in Homes and Buildings - is being embedded into Local Plans and other planning documents across Greater Essex. The Policy requires all new homes and buildings to be designed and built to be net zero energy and carbon in operation in a way which prioritises a fabric first approach to ensure total energy use is minimised, achieves operational energy balance and aligns with local and national climate targets.

There are five requirements that must be met to comply with the policy, and these cover:

- Requirement 1: Space heating demand limit
- Requirement 2: Fossil fuel free
- Requirement 3: Energy Use Intensity (EUI) limits
- Requirement 4: On-site renewable energy generation
- Requirement 5: As-built performance confirmation and in-use monitoring

This framework document supports part of the implementation of Requirement 4 in Policy GE1 (or equivalent policy in Essex Authorities' Local Plans).

2. Applicable Development

The Policy GE1 applies to all new build development – residential (1 dwelling and above) and non-residential (100m^2 and above). To ensure accurate energy information is provided with planning applications, predictive energy modelling (such as Passivhaus Planning package (PHPP) or the Chartered Institution of Building Services Engineers (CIBSE) Technical Memorandum 54 (TM54)) should be used for all major development[1] proposals.

To support the transition of small / medium developers who may have not yet invested in predictive energy modelling software, the Essex Energy Tool[2] has been developed as an interim measure. This tool can accommodate the outputs of the Building Regulations compliance software (known as SAP – Standard Assessment Procedure) and turn them into an appropriate format to indicate whether compliance with the policy requirements has

[1] Major Development proposals are defined as follows: a) housing development - where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more; and b) Non-residential development - an additional floorspace of 1,000m^2 or more, or a site of 1 hectare or more.

[2] Available on the implementation resource page: https://www.essexdesignguide.co.uk/climate-change/essex-policy-implementation/

been achieved. It is available to download from the Essex Net Zero Implementation | Essex Design Guide.

For residential minor development[3] proposals (under 10 dwellings), applicants may also use predictive energy modelling or the Essex Energy Tool as outlined above, or if they wish they can choose to follow the 'minimum standards approach' which sets out the fabric and systems specifications that the development must be designed and built to (see specifications listed in Table 2 (Page 16) of the Operational Energy and Carbon (Net Zero) Planning Policy Statement (October 2025). By following this approach (i.e. without an energy model), minor applications do not have to report the space heating demand, energy use intensity or offset contribution but they do need to re-confirm on completion the specifications that the development has been built to and the solar photovoltaic system installed.

Therefore, this guidance is applicable to all major new build development and only minor residential development proposals where a predictive energy model is used.

3. Policy GE1: Requirement 4 – On-site renewable energy generation

Requirement 4 of policy GE1 seeks to maximise renewable energy generation on-site and requires generation to at least match the predicted annual energy use of the building. This means that an operational energy balance is achieved on-site, and the building / development is net zero energy and carbon (in operation) from the point of occupation.

To provide flexibility for circumstances that may arise where it is not technically feasible for development proposals to achieve Requirement 4 and match on-site renewable energy generation with annual average energy demand, then the policy includes an energy offsetting mechanism.

This means that applicants will, as a last resort, be allowed to offset the residual amount of energy demand not matched by on-site renewable energy generation by making a financial payment into the Essex County Council (ECC) administered **Essex Renewable Energy Offset Fund**.

The Renewable Energy Offset Fund will be used to fund additional renewable energy generation capacity elsewhere in the local plan area or County but preferably as near as practicably possible to the initial development. The offset mechanism is purposely limited in role and scope and is only intended for use as a last resort. It is therefore anticipated that limited funds would be transferred through it, but any funds that are collected would be used to provide rooftop solar PV installations by eligible applicants (see 'Who can apply' - section 6.2 - below), for example, on public amenity buildings.

[3] Minor Development proposals are less than 10 dwellings or less than 1000m^2 of additional floorspace.

4. Energy Offsetting Tariff

Evidence shows that it is technically feasible at reasonable cost for most building typologies to generate sufficient energy to match or exceed its predicted annual total energy use and thereby achieve an operational energy balance on-site.

However, there may be limited circumstances, where it is not technically possible to generate sufficient renewable energy on-site to match the predicted annual average energy demand, for example, potentially mid or high-rise blocks of flats. In those cases, renewable energy generation on-site should still be maximised and then the offsetting mechanism would justifiably be triggered to deliver the residual amount of renewable energy generation offsite via a contribution to the Essex Renewable Energy Offset Fund and therefore enable these developments to achieve policy compliance.

The offset mechanism is expressed as a renewable energy offset and the price is set in £/kWh, which will be reviewed at least every 3 years and updated for Essex and published on the Essex Design Guide. The price (as of Quarter 2, 2025) is set at £1.82 per kWh (published on page 10 of the Essex Energy Offsetting Tariff Report (September 2025) and has been calculated using a robust methodology based on the cost of providing roof top solar PV in Essex and incorporating a 10% allowance for administering and managing the funding process.

The calculation of the contribution required will be made at the point that a planning application is determined using the most up to date offset price (£/kWh) for Essex. The price will be reviewed and updated at least every 3 years, and will be published on the Essex Design Guide.

4.1 Example offsetting contribution calculation

The following examples demonstrate how to calculate the energy offset contribution required in circumstances where the renewable energy generation on the building does not match the annual predicted energy demand.

Table 1A: Overview calculation of an offset payment for a scenario where a proposed development of 11 terraced houses has site specific constraints of orientation and shading which limit generation. The calculation is made for each individual dwelling. An example for 1 dwelling is set out below:

Type of Development	**Development of 11 Terraced Houses**
Calculation basis	**An individual dwelling**
Gross Internal Floor Area	95m^2
Total Energy	35 kWh/m^2/year
Annual Energy Consumption	3325 kWh/year
Onsite renewables	3150 kWh/year
Energy Deficit	3325 – 3150 = 175 kWh / year
Offset tariff	£1.82 per kWh
Offsetting Payment	**£318** (plus monitoring of planning obligation fee)

Table 1B: Detailed calculation steps of an offset payment for a scenario where a proposed development of 11 terraced houses has site specific constraints of orientation and shading which limit generation. The calculation is made for each individual dwelling. An example for 1 dwelling is set out below:

Step	Description	Calculation	Meaning
1	**Calculate the building's annual energy consumption**	Energy Use Intensity = 35 kWh/m^2/year Gross Internal Floor Area = 95m^2 EUI x GIA = Annual energy consumption 35kWh/m^2/year x 95m^2 = 3325 kWh/year	The installed solar PV system will have to generate 3325 kWh/year to match annual energy consumption.
2	**Calculate if the required PV system can fit on the building**	Assume a single PV Panel generates 450kWh per year. Assume each panel has an area of 2.6m^2 Divide required generation 3325 kWh/year by 450 kWh/year to find out how many panels are needed. 3325 kWh / 450 kWh =7.3 panels (rounded down to 7) Multiply the area of 1 panel (2.6m^2) by 7 panels to gives the total area required (2.6x7=19 m^2) Work out how much roof space is available to accommodate a PV system. In this example of a terraced house, due to site constraints affecting orientation and shading, there is limited suitable roof space available, only 17.5m^2.	Meeting the building's annual energy consumption of 3325 kWh would require a total PV area of19m^2 The area of PV that fits on the roof = 17.5m^2 (equivalent to 6 panels generating 3150 kWh/year). The required system cannot fit on the building, therefore there is a shortfall between the amount of energy that can be generated and the amount of energy consumed.
3	**Calculate the shortfall in the building's renewable energy generation to match the building's annual energy consumption**	Work out the difference between the annual energy consumption and the predicted annual energy generation from the rooftop PV system that can fit on the roof. 3325 - 3150 = 175 kWh per year	There is a shortfall in renewable energy generation of 175 kWh per year.
4	**Calculate offset contribution**	Work out the offset contribution by multiplying the shortfall in generation by the latest offset tariff (as of 2025 the tariff is **£1.82 per kWh**). 175 kWh x £1.82 per kWh = **£318**	The Offset contribution for the dwelling is **£318** plus any planning obligation monitoring fee(s).
5	**Whole Site Offset Contribution**	Calculate whether an offset contribution is required on other dwellings within the proposed development. If there are more dwellings requiring an offset contribution to achieve policy compliance then add these together to provide the total offset contribution required for the whole development.	Add together offset contributions required from other dwellings in the development to give the total offset contribution for the whole site.

In the example set out in Tables 1a and 1B above, the calculation is made on an individual terraced dwelling that forms part of a development of 11 homes. In this scenario, to work out the offset contribution for the development as a whole, the calculation is carried out for each dwelling and if an offset contribution is required on some or all of the dwellings, then this is added up to give the total offset contribution for the development.

Blocks of flats can be treated as a single unit, for the purpose of calculating the offsetting payment. Mid rise (5 Storeys) and High rise blocks of flats (15 storeys or more) are more likely to trigger the use of the offsetting mechanism. Tables 2A and 2B below provide a worked example for the mid rise block of flats typology.

Table 2A: Overview of offset payment calculation for high rise blocks of flats

Type of Development	**Mid Rise (5 storeys) Blocks of Flats**
Gross Internal Floor Area	3,200m^2
Total Energy	35 kWh/m^2/year
Annual Energy Consumption	112,000 kWh/year
Onsite renewables	94,950 kWh/year
Energy Deficit	112,000 – 94,950 = 17,050 kWh / year
Offset tariff	£1.82 per kWh
Offsetting Payment	**£31,031** (plus monitoring of planning obligation fee)

Table 2B: Detailed calculation steps of offset payment for mid rise (5 storey) blocks of flats

Step	**Description**	**Calculation**	**Meaning**
1	**Calculate the building's annual energy consumption**	Energy Use Intensity = 35 kWh/m^2/year Gross Internal Floor Area = 3,200m^2 EUI x GIA = Annual energy consumption 35kWh/m^2/year x 3,200m^2 = 112,000 kWh/year	The installed solar PV system will have to generate 112,000 kWh/year to match annual energy consumption.
2	**Calculate if the required PV system can fit on the building**	Assume a single PV Panel generates 450kWh per year. Assume each panel has an area of 2.0m^2 Divide required generation 112,000 kWh / year by 450 kWh/year to find out how many panels are needed. 112,000 kWh /450 kWh = 249 panels Multiply the area of 1 panel (2.0m^2) by 249 panels to gives the total area required (2.0x249=498 m^2) Work out how much roof space is available to accommodate a PV system. In this example of a mid rise block of flats, the roof space has been reduced by 40% to allow for access and maintenance. The roof area available for Solar PV is 421.2m^2.	Meeting the building's annual energy consumption of 112,000 kWh would require a total PV area of 498m^2 The area of PV that fits on the roof = 421.2m^2 (equivalent to 211 Panels generating 94,950 kWh/year). The required system cannot fit on the building, therefore there is a shortfall between the amount of energy that can be generated and the amount of energy consumed.
3	**Calculate the shortfall in the building's renewable energy generation to match the building's annual energy consumption**	Work out the difference between the annual energy consumption and the predicted annual energy generation from the rooftop PV system that can fit on the roof. 112,000 - 94,950 = 17,050 kWh per year	There is a shortfall in renewable energy generation of 17,050 kWh per year.
4	**Calculate offset contribution**	Work out the offset contribution by multiplying the shortfall in generation by the latest offset tariff (as of 2024 the tariff is **£1.82 per kWh**). 17,050 kWh x £1.82 per kWh = £31,031	The Offset contribution is **£31,031** plus any planning obligation monitoring fee(s).

4.2 Additional Monitoring Fee

There are costs to the Council(s) which arise from the monitoring and reporting of the offset contribution made, and which are not incorporated into the energy offset tariff described above.

The Local Planning Authority (LPA) may charge a monitoring fee for planning obligations. Reference should be made to the relevant LPA to determine this fee.

In addition, as the Essex Renewable Energy Offsetting Fund will be administered and operated by Essex County Council (ECC), then Essex County Council will need to seek a standard charge towards the cost of monitoring and reporting of the relevant renewable energy offsetting planning obligation to meet legal requirements.

The additional monitoring and reporting fee for ECC is set out in the latest 'Essex County Council Developers Guide to Infrastructure Contributions' available here and the appropriate fee added to the contribution. Reporting on obligations is made annually in the Infrastructure and Funding Statement.

5. Offsetting Collection Process

The offsetting mechanism meets the legal tests for Planning Obligations (such as Section 106) in that it is:

(i) necessary to make the development acceptable in planning terms;
(ii) directly related to the development;
(iii) fairly and reasonably related in scale and kind to the development.

The offsetting payment is to be secured through a planning obligation. For example, within a Section 106 agreement, it could form a pre-commencement requirement (see suggested standard Section 106 Clause at Appendix 1). It is anticipated that as an offset contribution would only normally be triggered on major development proposals then usually a Section 106 agreement would be being progressed for other matters such as affordable housing, therefore it will be straightforward to add a clause to cover offsetting contributions. In situations where there is not a Section 106 agreement being progressed then the contribution will be secured through another type of planning obligation (such as Unilateral Undertaking).

The Local Planning Authority will normally be the signatory of the Planning Obligation which covers the offsetting contribution, and therefore request the clause and will collect the payment.

It is important that any investment of cash-in-lieu contributions is spent at a similar rate as a development would emit residual energy (and therefore carbon). Given this, payment at an early point, in advance of development will help minimise the mismatch in timing between the development generating an operational energy demand and the corresponding offsetting taking effect (an important offsetting principle).

Should the LPA wish to make use of the Essex Renewable Energy Offset Fund for delivery of renewable energy projects then the payment will be transferred to the County Council. The Infrastructure Planning Team will manage the process, and ensure the money is held in the Essex Renewable Energy Offset Fund. The fund itself will be managed and administered by the Energy & Low Carbon Team at Essex County Council.

To ensure transparency, the Energy & Low Carbon Team will report every Autumn to the Infrastructure Planning Team how much money has been spent and on what projects. The Infrastructure Planning Team will incorporate the information into the Infrastructure Funding Statement published at the end of each year to monitor all monies that come through Planning Obligations (such as Section 106 agreements).

6. Spending of Essex Renewable Energy Offset Fund and Administration

The fund is administered by Essex County Council.

Enquiries about this funding can be directed to: **lowcarbon@essex.gov.uk**

In some cases, funds may have to be pooled in order to be of sufficient size to fund an installation.

6.1 Eligibility of Funding

Grants of up to £20,000 are available from the Essex Renewable Energy Offset Fund to support rooftop solar PV projects on local, non-council owned public amenity facilities. These projects will be selected from a pre-registered list of interested groups which will cover all districts in Essex.

6.2 Who can apply

Applications for funding from the Essex Renewable Energy Offset Fund are welcome from:

- Village halls
- Scout huts
- Local charitable organisations
- Schools
- Parishes
- Community Energy Groups
- Other local public amenity facilities

As funds come in, ECC will reach out to potential project sites to advise they can apply. The projects will be chosen on a proximity to original development basis and match-funding will be encouraged.

6.3 Outcomes

- Widen access to/and uptake of renewable energy;
- Improve self-sufficiency and reduce constraint on the local grid system;
- Implementation of measures to reduce carbon footprint and help meet net zero standards;
- Raise awareness around key climate challenges and support changing behaviours at a local level.

6.4 Project list

ECC will ask interested, eligible parties to register an expression of interest for funding from the Essex Renewable Energy Offset Fund. Once/if money comes into the fund, ECC will reach out to those registrants to apply in full, based on their geographic proximity to the location of the development whereby the fund has come in from.

6.5 Grant Awards

- This is a rolling programme and is not normally expected to raise large amounts of funding.
- Awards will be made on a rolling basis. Successful applicants will be notified by email, and grants awarded as quickly as possible.
- Grants are available to support capital costs for the solar PV system installation only. They will not fund other project costs such as feasibility studies or ancillary costs, for example roofing costs where the roof is not immediately suitable for a solar PV system; or ancillary Health and Safety costs
- Project should be 'shovel-ready' and meet the following criteria: planning consent and grid connections secured; 3 quotes required.
- Grants are available to support capital projects.
- Applications will be considered based upon feasibility of activities; value for money; and how activities meet the outcomes of the programme set out above
- Applications will need to demonstrate the kWh generation that they will deliver
- The Funding Panel[4] will reserve the right to use their sole discretion when assessing any grant applications for acceptance. Applications may be rejected, or grants awarded at a lesser level than applied for.

6.6 Validity of Funding

Funding will be allocated on a rolling basis. Grant awards must be spent within 12 months of award.

[4] Funding Panel will comprise representatives from ECC's Energy & Low Carbon Team; Climate and Planning Unit; Planning & Sustainable Development Service; and District / City / Borough Council where contributions from developments have been received from and/or are proposed to be spent.

6.7 Demonstration of Need

Applicants must:

- Demonstrate how their activities will have an impact in meeting the programme outcomes set out above; and
- Demonstrate how their activities will improve the quality of service they provide to communities.

6.8 Financials

All applicants must:

- Have gained necessary permissions to undertake this work as required (i.e. permissions from landlords, planning permission);
- Demonstrate financial viability and whole life costs / on-going revenue costs;
- Be fully transparent on the total project costs and where funding will be allocated as well as any in-kind support for the activity/project;
- Be transparent in the number of unrestricted reserves, and such reserves should be fully justified in formally ratified reserves policy; and
- Submit latest accounts, including the balance sheet and reserves (where appropriate).

6.9 Project Monitoring

To ensure that grant funding is being spent diligently, ECC will seek project monitoring reports from successful applicants. Frequency and criteria for reporting will be agreed with ECC and set out in the grant agreement upon confirmation of successful awards. The Energy & Low Carbon team will update the Infrastructure Planning Team as required.

ECC will work with the grant holder to agree reporting metrics.

ECC may request a full audit of the project's accounts (funded by the applicant) to gain financial assurance.

Information will be provided for inclusion in the Infrastructure Funding Statement (IFS) produced annually by ECC to report on the spending of all monies generated through Planning Obligations.

6.10 Public Sector Equality Duty

The Equality Act 2010 states that public authorities must comply with the Public Sector Equality Duty and for them to consider how their polices or decisions affect people who have protected characteristics under The Act.

These protected characteristics are:

- Age, disability, gender re-assignment, pregnancy and maternity, sex, sexual orientation, race, religion or belief, and marriage and civil partnership.

Essex County Council is committed to the positive advancement of equality, fostering good relations between different groups and tackling unlawful discrimination.

When submitting applications organisations should consider how their projects and activities will help advance the following aims of the Public Sector Equality Duty and The Act:

- Eliminating discrimination, harassment and victimisation i.e. projects that seek to remove or minimise disadvantages suffered by people due to their protected characteristics.
- Advancing equality of opportunity i.e. projects that provide opportunities to those with protected characteristics
- Fostering good relations i.e. projects that encourage those with protected characteristics to participate in public life, bringing communities together to share commonalities and promote community cohesion and inclusion.

6.11 Supporting Documentation:

Please note the following will need to be provided by applicants where relevant. For those community groups/un-constituted groups that do not have these documents/policies in place, please email: **lowcarbon@essex.gov.uk** so this can be discussed prior to an application:

- Copy of latest accounts, including the balance sheet and reserves
- Copy of safeguarding policy
- Copy of volunteering policy
- Copy of insurance policy

PLEASE NOTE: Failure to fully complete applications or supply required documentation may make your application null and void. Completed applications are to be returned to Essex County Council. Applications should be emailed to **lowcarbon@essex.gov.uk**

Appendix 1: Template Section 106 Definitions, Clause & Schedules

Draft Renewable Energy Contribution to Council Schedule - where Essex County Council are not party to the Agreement:

SCHEDULE [ ]
RENEWABLE ENERGY CONTRIBUTION

1. In this Schedule unless the context requires otherwise the following words, expressions and terms shall have the following meanings:

"Energy Assessment" means, for Major Development Proposals, the Energy Strategy, or, for Minor Development Proposals, the Essex Energy Reporting Spreadsheet 2, submitted with the planning application setting out how the planning proposal addresses the requirements set out in Policy XX [*Insert Policy Reference Number from individual local authority local plan that is equivalent to the Essex-wide 'model' Policy GE1*] of the Local Plan.

"Local Plan" means the [Insert Name of Local Authority and Relevant Plan] Development Plan Document.

"Renewable Energy Deficit" means the total amount of energy demand which exceeds the renewable energy provision measured in kWh/m2/year as specified in the Energy Assessment.

"Renewable Energy Offsetting Contribution" means the sum of £XXX payable to the Council to which sum the Relevant Indexation shall be added;

"Renewable Energy Offsetting Contribution Purposes" means to mitigate against the Renewable Energy Deficit in accordance with Policy XX [Insert Policy Reference Number from individual local authority local plan that is equivalent to the Essex-wide 'model' Policy GE1] of the Local Plan.

"Relevant Indexation" means the amount that the Owner [and or the Developer] shall pay with and in addition to Renewable Energy Offsetting Contribution paid that shall equal a sum calculated by taking the amount of the Renewable Energy Offsetting Contribution being paid and multiplying this amount by the percentage change shown in the Index between the Index Point pertaining to [month] [year] and the Index Point pertaining to the date the payment is made to the Council;

" Index Point" means a point shown on the Index indicating a relative cost at a point in time.

2. The Owner [and or the Developer] hereby covenants with the Council so as to bind their interest in the Site:
   2.1. to pay the Renewable Energy Offsetting Contribution to the Council prior to Commencement of the Development and not to cause permit or allow Commencement of the Development unless and until the Renewable Energy Offsetting Contribution has been paid to the Council in full (100%);

3. The Council hereby covenants with the Owner [and or the Developer] to:
   3.1. place the Renewable Energy Offsetting Contribution when received into an interest-bearing account with a clearing bank
   3.2. transfer the Renewable Energy Offsetting Contribution to Essex County Council upon receipt.

Draft Renewable Energy Contribution to Council Schedule - where Essex County Council are party to the Agreement:

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"Energy Assessment" means, for Major Development Proposals, the Energy Strategy, or, for Minor Development Proposals the Essex Energy Reporting Spreadsheet 2, submitted with the planning application setting out how the planning proposal addresses the requirements set out in Policy XX [*Insert Policy Reference Number from individual local authority local plan that is equivalent to the Essex-wide 'model' Policy GE1*] of the Local Plan.

"Local Plan" means the [Insert Name of Local Authority and Relevant Plan] Development Plan Document.

"Monitoring Fee" means an additional charge of £XXX [if the County Renewable Energy Offset Fund is being used and requires ECC to monitor and administer the relevant obligation in a Section 106 Agreement. The charge can be found in the latest available Developers Guide to Infrastructure Contributions] plus £XXX [Insert individual Local Authority monitoring fee if applicable] which is sought towards the costs of monitoring and administering an obligation where a Renewable Energy Offsetting Contribution is being made in a Section 106 Agreement.

"Renewable Energy Deficit" means the total amount of energy demand which exceeds the renewable energy provision measured in kWh/m2/year as specified in the Energy Assessment.

"Renewable Energy Offsetting Contribution" means the sum of £XXX payable to the County Council to which sum the Relevant Indexation shall be added;

"Renewable Energy Offsetting Contribution Purposes" means to mitigate against the Renewable Energy Deficit in accordance with Policy XX [Insert Policy Reference Number from individual local authority local plan that is equivalent to the Essex-wide 'model' Policy GE1] of the Local Plan and shall include the reimbursement of capital funding for such provision made by the County Council in anticipation of the receipt of the Renewable Energy Offsetting Contribution.

"Relevant Indexation" means the amount that the Owner [and or the Developer] shall pay with and in addition to Renewable Energy Offsetting Contribution paid that shall equal a sum calculated by taking the amount of the Renewable Energy Offsetting Contribution being paid and multiplying this amount by the percentage change shown in the Index between the Index Point pertaining to [month] [year] and the Index Point pertaining to the date the payment is made to the County Council;

" Index Point" means a point shown on the Index indicating a relative cost at a point in time.

2. The Owner [and or the Developer] hereby covenants with the County Council so as to bind their interest in the Site:
2.1. to pay the Renewable Energy Offsetting Contribution to the County Council prior to Commencement of the Development and not to cause permit or allow Commencement of the Development unless and until the Renewable Energy Offsetting Contribution has been paid to the Council in full (100%);

3. The County Council hereby covenants with the Owner [and or the Developer] to:

3.1. Place the Renewable Energy Offsetting Contribution when received into an interest-bearing account with a clearing bank and to utilise the same for the Renewable Energy Offsetting Contribution Purposes;

3.2 upon receipt of a request in writing to do so to be received by the County Council from the Owner [and or the Developer] no sooner than the tenth (10th) anniversary of receipt of the Renewable Energy Offsetting Contribution in full and no later than the eleventh (11th) anniversary of the same to return to the party who deposited the Renewable Energy Offsetting Contribution or any part of Renewable Energy Offsetting Contribution that remains unexpended when such request in writing is received (together with interest accrued on the unexpended part) Provided Always that where a legally binding contract or obligation has been entered into by the County Council prior to the tenth (10th) anniversary of receipt of the Renewable Energy Offsetting Contribution in full to make a payment in respect of the Renewable Energy Offsetting Contribution Purposes the unexpended part of the Renewable Energy Offsetting Contribution shall not be repaid until such payment is made and the unexpended part of the Renewable Energy Offsetting Contribution to be repaid (if any) shall not include such payment; and

3.3 That upon receipt of a written request from the Owner [and or the Developer] prior to the eleventh (11th) anniversary of receipt of the Renewable Energy Offsetting Contribution in full the County Council shall provide the Owner [and or the Developer] with a statement confirming whether the Renewable Energy Offsetting Contribution has been spent and if the Renewable Energy Offsetting Contribution has been spent in whole or in part outlining how the Renewable Energy Offsetting Contribution has in whole or in part been spent.

4. It is hereby agreed that:

4.1 Any dispute in relation to how the Renewable Energy Offsetting Contribution has been spent must be raised in writing by the Owner [and or the Developer] and received by the County Council within twenty (20) Working Days of receipt by the Owner of the County Council's statement referred to in 2.3 above and shall clearly state the grounds on which it is disputed;

4.2. In the event that no written request is received by the County Council from the Owner [and or the Developer] pursuant to paragraph 3.2 above or no valid dispute is raised by the Owner [and or the Developer] pursuant to paragraph 4.1 the Owner [and or the Developer] shall accept the Renewable Energy Offsetting Contribution has been spent in full on the Renewable Energy Offsetting Contribution Purposes as appropriate;

4.3. In the event the Renewable Energy Offsetting Contribution that is overpaid by the Owner [and or the Developer] then the County Council shall be under no obligation to return any such overpaid sum in whole or in part if in good faith the County Council have spent the Renewable Energy Offsetting Contribution or have entered into a legally binding contract or obligation to spend the Renewable Energy Offsetting Contribution otherwise the County Council shall upon the Occupation of the final Dwelling on the Site or at such earlier time as the County Council shall determine return any such overpaid sum or sums in whole or in part to the Owner [and or the Developer] (in excess of those sums calculated as due for payment under this Agreement) together with interest calculated at the SONIA Rate within twenty (20) Working Days of the County Council being informed by the Owner [and or the Developer] of such overpayment.

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Website:

www.essexdesignguide.co.uk/climate-change/essex-climate-and-planning/

Contact us:

lowcarbon@essex.gov.uk

climateplanningunit@essex.gov.uk

EPOA
Essex Planning
Officers Association